Table 3-9 Financial Feasibility – Scenario 1: Baseline

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Revenues													
Tie-Down Fees	$26,040	$26,821	$27,626	$28,455	$29,308	$30,187	$31,093	$32,026	$32,987	$33,976	$36,124	$37,208	$38,324
Building/Facilities Rent	$92,000	$94,760	$97,603	$100,531	$103,547	$106,653	$109,853	$113,148	$116,543	$120,039	$123,640	$127,350	$131,170
Fuel Flow Fee	$1,500	$1,500	$1,500	$1,500	$1,500	$1,550	$1,550	$1,550	$1,600	$1,600	$1,600	$1,600	$1,600
TOTAL REVENUE	$119,540	$123,081	$126,729	$130,485	$134,355	$138,391	$142,496	$146,724	$151,130	$155,615	$161,365	$166,158	$171,094
Operating Expenditures													
Electricity	$1,000	$1,080	$1,166	$1,260	$1,360	$1,469	$1,587	$1,714	$1,851	$1,999	$2,159	$2,332	$2,518
Insurance	$15,000	$15,450	$15,914	$16,391	$16,883	$17,389	$17,911	$18,448	$19,002	$19,572	$20,159	$20,764	$21,386
Common Area Maintenance	$10,320	$10,630	$10,948	$11,277	$11,615	$11,964	$12,323	$12,692	$13,073	$13,465	$13,869	$14,285	$14,714
Grass Mowing	$5,120	$5,274	$5,432	$5,595	$5,763	$5,935	$6,114	$6,297	$6,486	$6,680	$6,881	$7,087	$7,300
Snow Plowing	$3,200	$3,296	$3,395	$3,497	$3,602	$3,710	$3,821	$3,936	$4,054	$4,175	$4,301	$4,430	$4,562
Facilities Maintenance	$2,000	$2,060	$2,122	$2,185	$2,251	$2,319	$2,388	$2,460	$2,534	$2,610	$2,688	$2,768	$2,852
Building Maintenance	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	$6,921	$7,129
Fuel System Maintenance	$1,500	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957	$2,016	$2,076	$2,139
Equipment Maintenance	$1,500	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957	$2,016	$2,076	$2,139
Legal/Professional Services	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	$6,921	$7,129
On-Site Airport Management (FBC	$10,000	$10,300	$10,609	$10,927	$11,255	$11,593	$11,941	$12,299	$12,668	$13,048	$13,439	$13,842	$14,258
Town Administration	$40,000	$41,200	$42,436	$43,709	$45,020	$46,371	$47,762	$49,195	$50,671	$52,191	$53,757	$55,369	$57,030
Total Operating Expenditures	$89,320	$92,050	$94,865	$97,769	$100,765	$103,856	$107,046	$110,336	$113,732	$117,237	$120,854	$124,587	$128,441
Capital Expenditures													
Airport Acquisition	$25,463	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Projects	$26,294	$27,083	$27,895	$28,732	$29,594	$30,482	$31,396	$32,338	$33,308	$34,308	$35,337	$36,397	$37,489
Total Capital Expenditures	$51,757	$27,083	$27,895	$28,732	$29,594	$30,482	$31,396	$32,338	$33,308	$34,308	$35,337	$36,397	$37,489
TOTAL EXPENDITURES	$141,077	$119,132	$122,760	$126,502	$130,360	$134,338	$138,442	$142,675	$147,041	$151,544	$156,191	$160,984	$165,930
NET CASH FLOW	-$21,537	$3,949	$3,968	$3,984	$3,996	$4,052	$4,054	$4,050	$4,089	$4,071	$5,174	$5,174	$5,164
LOST TAX LEVY	$25,519	$26,284	$27,073	$27,885	$28,722	$29,583	$30,471	$31,385	$32,326	$33,296	$34,295	$35,324	$36,384
NET BALANCE	-$47,056	-$22,336	-$23,105	-$23,901	-$24,726	-$25,531	-$26,417	-$27,335	-$28,237	-$29,225	-$29,121	-$30,150	-$31,220
CUMULATIVE BALANCE	-$47,056	-$69,391	-$92,496	-$116,397	-$141,123	-$166,654	-$193,071	-$220,406	-$248,643	-$277,868	-$306,989	-$337,139	-$368,359

Source: Town Ellington, JLM Associates LLC and RKG Associates, Inc.

Table 3-10 Capital Improvement Projects Cost Estimates – Scenario 1: Baseline

Project		Unit	Unit Cost	Quantity	Subtotal	20% Contingency	Design & CI Cost	Estimated Total Cost	Eligible for Funding	Potential Local Share
Phase II Acquisition Study (Due Diligence, Appraisals)		LS	100,000	1	100,000	0	0	100,000	Yes	1250
Airport Property Acquisition (Accessor Tax Card)		LS	2,037,000	1	2,037,000		0	2,037,000	Yes	25463
Master Plan and Environmental Assessment		LS	200,000	1	200,000	0	0	200,000	Yes	2500
RPZ Easement		AC	16,000	6	96,000	0	19,200	115,200	Yes	1440
Short-Term Rehab	Runway Crack Repair & Patching	LS	25,000	1	25,000	5,000	5,000	35,000	Yes	438
	Runway Seal Coat (Include fine aggregate)	SY	3	15,000	45,000	9,000	9,000	63,000	Yes	788
	Runway Markings	LS	10,000	1	10,000	2,000	2,000	14,000	Yes	175
	Taxiway Crack Repair & Patching	LS	15,000	1	15,000	3,000	3,000	21,000	Yes	263
	Taxiway Seal Coat (Include fine aggregate)	SY	3	7,500	22,500	4,500	4,500	31,500	Yes	394
	Taxiway Markings	LS	10,000	1	10,000	2,000	2,000	14,000	Yes	175
Paved Tiedown Apron		SF	16	52,500	840,000	168,000	168,000	1,176,000	Yes	14700
Main Apron Mill & Overlay		LF	10	5,212	52,120	10,424	10,424	72,968	Yes	912
Aircraft Parking Markings		SF	1.50	1,386	2,079	416	416	2,911	Yes	36
New Windsock & Segmented Circle		LS	30,000	1	30,000	6,000	6,000	42,000	Yes	525
Equipment - Mower		LS	70,000	1	70,000	0	0	70,000	No	70,000
Main Driveway & Parking Lot Repairs		LS	76,500	1	76,500	0	0	76,500	No	76,500
Airport Buildings Repairs & Maintenance		LS	42,050	1	42,050	0	0	42,050	No	0
Private Facilities Repairs & Maintenance		LS	25,900	1	25,900	0	0	25,900	No	0
Phase I (1 to 5 Years) Total								**$ 4,139,029**		**$ 195,557**
Runway Reconstruction (including marking & lighting)		SF	21	150,000	3,075,000	615,000	615,000	4,305,000	Yes	53813
Taxiway Reconstruction (including marking & lighting)		SF	21	62,500	1,281,250	256,250	256,250	1,793,750	Yes	22422
Install Airfield Signage		LS	20,000	1	20,000	4,000	4,000	28,000	Yes	350
Tree Removal		AC	2,500	8	20,000	4,000	4,000	28,000	Yes	350
Main Apron Reconstruction		SF	16	46,936	750,976	150,195	150,195	1,051,366	Yes	13142
Weather Station		LS	140,000	1	140,000	28,000	28,000	196,000	Yes	2450
Bridge Street Access Driveway		LF	16	310	4,960	0	0	4,960	No	0
1 Conventional Hangar (50' x 50')		SF	50	2,500	125,000	0	0	125,000	No	0
1 Conventional Hangar (50' x 50')		SF	50	2,500	125,000	0	0	125,000	No	0
Main Driveway & Vehicle Parking Lot Overlay		LS	76,500	1	76,500	0	0	76,500	No	76,500
Phase II (5 to 10 Years) Total								**$ 7,733,576**		**$ 169,026**
Improved Jumpzone Access Road		LF	16	2,291	36,656	0	0	36,656	No	0
1 Conventional Hangar (50' x 50')		SF	50	2,500	125,000	0	0	125,000	No	0
Phase III (10 to 20 Years) Total								**$ 161,656**		**$ -**
							Grand Total	**$ 12,034,261**		**$ 364,584**

Airport Buildings include the Helicopter/Auto Maintenance Hangar, Aircraft Maintenance Hangar, and Office Building.
Private Facilities include the Skydiving Facilities, Private Storage Building, and the 3 Private Hangars.

Table 3-11 Financial Feasibility – Scenario 2: Growth

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Revenues													
Tie-Down Fees	$26,040	$26,821	$27,626	$28,455	$29,308	$33,109	$34,102	$35,125	$36,179	$37,264	$36,124	$37,208	$38,324
Land Lease Fees	$0	$0	$0	$0	$18,000	$18,540	$19,096	$24,586	$25,324	$31,300	$32,239	$33,207	$39,903
Property Taxes	$0	$0	$0	$0	$8,750	$9,013	$9,283	$11,952	$12,310	$15,215	$15,672	$16,142	$19,397
Building/Facilities Rent	$92,000	$94,760	$97,603	$100,531	$103,547	$106,653	$109,853	$113,148	$116,543	$120,039	$123,640	$127,350	$131,170
Fuel Flow Fee	$1,500	$1,500	$1,500	$1,500	$1,500	$1,600	$1,600	$1,600	$1,600	$1,600	$1,750	$1,750	$1,750
TOTAL REVENUE	$119,540	$123,081	$126,729	$130,485	$161,105	$168,915	$173,934	$186,412	$191,956	$205,419	$209,426	$215,656	$230,545
Operating Expenditures													
Electricity	$1,200	$1,296	$1,400	$1,512	$1,633	$1,763	$1,904	$2,057	$2,221	$2,399	$2,591	$2,798	$3,022
Insurance	$17,000	$17,510	$18,035	$18,576	$19,134	$19,708	$20,299	$20,908	$21,535	$22,181	$22,847	$23,532	$24,238
Common Area Maintenance	$10,320	$10,630	$10,948	$11,277	$11,615	$11,964	$12,323	$12,692	$13,073	$13,465	$13,869	$14,285	$14,714
Grass Mowing	$5,120	$5,274	$5,432	$5,595	$5,763	$5,935	$6,114	$6,297	$6,486	$6,680	$6,881	$7,087	$7,300
Snow Plowing	$3,200	$3,296	$3,395	$3,497	$3,602	$3,710	$3,821	$3,936	$4,054	$4,175	$4,301	$4,430	$4,562
Facilities Maintenance	$2,000	$2,060	$2,122	$2,185	$2,251	$2,319	$2,388	$2,460	$2,534	$2,610	$2,688	$2,768	$2,852
Building Maintenance	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	$6,921	$7,129
Fuel System Maintenance	$1,500	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957	$2,016	$2,076	$2,139
Equipment Maintenance	$1,500	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957	$2,016	$2,076	$2,139
Legal/Professional Services	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	$6,921	$7,129
On-Site Airport Management (FBC	$10,000	$10,300	$10,609	$10,927	$11,255	$11,593	$11,941	$12,299	$12,668	$13,048	$13,439	$13,842	$14,258
Town Administration	$40,000	$41,200	$42,436	$43,709	$45,020	$46,371	$47,762	$49,195	$50,671	$52,191	$53,757	$55,369	$57,030
Total Operating Expenditures	$91,520	$94,326	$97,220	$100,207	$103,289	$106,469	$109,751	$113,139	$116,636	$120,246	$123,973	$127,822	$131,797
Capital Expenditures													
Airport Acquisition	$25,463	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Projects	$26,294	$27,083	$27,895	$28,732	$29,594	$30,482	$31,396	$32,338	$33,308	$34,308	$35,337	$36,397	$37,489
Total Capital Expenditures	$51,757	$27,083	$27,895	$28,732	$29,594	$30,482	$31,396	$32,338	$33,308	$34,308	$35,337	$36,397	$37,489
TOTAL EXPENDITURES	$143,277	$121,408	$125,115	$128,939	$132,883	$136,951	$141,147	$145,477	$149,944	$154,554	$159,310	$164,219	$169,285
NET CASH FLOW	-$23,737	$1,673	$1,613	$1,547	$28,222	$31,964	$32,787	$40,935	$42,012	$50,866	$50,116	$51,437	$61,260
LOST TAX LEVY	$25,519	$26,284	$27,073	$27,885	$28,722	$29,583	$30,471	$31,385	$32,326	$33,296	$34,295	$35,324	$36,384
NET BALANCE	-$49,256	-$24,612	-$25,460	-$26,338	-$499	$2,381	$2,316	$9,550	$9,685	$17,570	$15,821	$16,113	$24,876
CUMULATIVE BALANCE	-$49,256	-$73,867	-$99,327	-$125,665	-$126,165	-$123,784	-$121,468	-$111,918	-$102,233	-$84,664	-$68,843	-$52,729	-$27,853

Source: Town Ellington, JLM Associates LLC and RKG Associates, Inc.

Table 3-12 Capital Improvement Projects Cost Estimates – Scenario 2: Growth

Project		Unit	Unit Cost	Quantity	Subtotal	20% Contingency	Design & CI Cost	Estimated Total Cost	Eligible for Funding	Potential Local Share
Phase II Acquisition Study (Due Diligence, Appraisals)		LS	100,000	1	100,000	0	0	100,000	Yes	1,250
Airport Property Acquisition (Accessor Tax Card)		LS	2,037,000	1	2,037,000		0	2,037,000	Yes	25,463
Master Plan and Environmental Assessment		LS	200,000	1	200,000	0	0	200,000	Yes	2,500
RPZ Easement		AC	16,000	6	96,000	0	19,200	115,200	Yes	1,440
Short-Term Rehab	Runway Crack Repair & Patching	LS	25,000	1	25,000	5,000	5,000	35,000	Yes	438
	Runway Seal Coat (Include fine aggregate)	SY	3	15,000	45,000	9,000	9,000	63,000	Yes	788
	Runway Markings	LS	10,000	1	10,000	2,000	2,000	14,000	Yes	175
	Taxiway Crack Repair & Patching	LS	15,000	1	15,000	3,000	3,000	21,000	Yes	263
	Taxiway Seal Coat (Include fine aggregate)	SY	3	7,500	22,500	4,500	4,500	31,500	Yes	394
	Taxiway Markings	LS	10,000	1	10,000	2,000	2,000	14,000	Yes	175
Paved Tiedown Apron		SF	16	52,500	840,000	168,000	168,000	1,176,000	Yes	14,700
Main Apron Mill & Overlay		LF	10	5,212	52,120	10,424	10,424	72,968	Yes	912
Aircraft Parking Markings		SF	1.50	1,386	2,079	416	416	2,911	Yes	36
New Windsock & Segmented Circle		LS	30,000	1	30,000	6,000	6,000	42,000	Yes	525
Equipment - Mower		LS	70,000	1	70,000	0	0	70,000	No	70,000
Main Driveway & Parking Lot Repairs		LS	76,500	1	76,500	0	0	76,500	No	76,500
Airport Buildings Repairs & Maintenance		LS	42,050	1	42,050	0	0	42,050	No	0
Private Facilities Repairs & Maintenance		LS	25,900	1	25,900	0	0	25,900	No	0
Phase I (1 to 5 Years) Total								**$ 4,139,029**		**$ 195,557**
Runway Reconstruction (including marking & lighting)		SF	21	150,000	3,075,000	615,000	615,000	4,305,000	Yes	53,813
Taxiway Reconstruction (including marking & lighting)		SF	21	62,500	1,281,250	256,250	256,250	1,793,750	Yes	22,422
Install Airfield Signage		LS	20,000	1	20,000	4,000	4,000	28,000	Yes	350
Tree Removal		AC	2,500	8	20,000	4,000	4,000	28,000	Yes	350
Main Apron Reconstruction		SF	16	46,936	750,976	150,195	150,195	1,051,366	Yes	13,142
Weather Station		LS	140,000	1	140,000	28,000	28,000	196,000	Yes	2,450
1 10-Bay T-Hangar Building		SF	50	10,000	500,000	0	0	500,000	No	0
Bridge Street Access Driveway		LF	16	310	4,960	0	0	4,960	No	0
1 Conventional Hangar (50' x 50')		SF	50	2,500	125,000	0	0	125,000	No	0
1 Conventional Hangar (50' x 50')		SF	50	2,500	125,000	0	0	125,000	No	0
Main Driveway & Vehicle Parking Lot Overlay		LS	76,500	1	76,500	0	0	76,500	No	76,500
Phase II (5 to 10 Years) Total								**$ 8,233,576**		**$ 169,026**
Improved Jumpzone Access Road		LF	16	2,291	36,656	0	0	36,656	No	0
1 Conventional Hangar (100' x 100')		SF	50	10,000	500,000	0	0	500,000	No	0
1 Conventional Hangar (50' x 50')		SF	50	2,500	125,000	0	0	125,000	No	0
1 Conventional Hangar (50' x 50')		SF	50	2,500	125,000	0	0	125,000	No	0
Phase III (10 to 20 Years) Total								**$ 786,656**		**$ -**
							Grand Total	**$ 13,159,261**		**$ 364,584**

Airport Buildings include the Helicopter/Auto Maintenance Hangar, Aircraft Maintenance Hangar, and Office Building.
Private Facilities include the Skydiving Facilities, Private Storage Building, and the 3 Private Hangars.

Table 3-13 Financial Feasibility – Scenario 3: Decline

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Revenues													
Tie-Down Fees	$24,180	$24,905	$25,653	$26,422	$26,337	$26,223	$27,009	$27,820	$27,666	$28,496	$29,351	$29,152	$30,027
Building/Facilities Rent	$92,000	$94,760	$97,603	$100,531	$103,547	$106,653	$109,853	$113,148	$116,543	$120,039	$123,640	$127,350	$131,170
Fuel Flow Fee	$1,500	$1,450	$1,400	$1,350	$1,300	$1,250	$1,225	$1,200	$1,175	$1,150	$1,150	$1,150	$1,150
TOTAL REVENUE	$117,680	$121,115	$124,655	$128,303	$131,184	$134,126	$138,087	$142,168	$145,384	$149,685	$154,141	$157,651	$162,347
Operating Expenditures													
Electricity	$1,000	$1,080	$1,166	$1,260	$1,360	$1,469	$1,587	$1,714	$1,851	$1,999	$2,159	$2,332	$2,518
Insurance	$15,000	$15,450	$15,914	$16,391	$16,883	$17,389	$17,911	$18,448	$19,002	$19,572	$20,159	$20,764	$21,386
Common Area Maintenance	$10,320	$10,630	$10,948	$11,277	$11,615	$11,964	$12,323	$12,692	$13,073	$13,465	$13,869	$14,285	$14,714
Grass Mowing	$5,120	$5,274	$5,432	$5,595	$5,763	$5,935	$6,114	$6,297	$6,486	$6,680	$6,881	$7,087	$7,300
Snow Plowing	$3,200	$3,296	$3,395	$3,497	$3,602	$3,710	$3,821	$3,936	$4,054	$4,175	$4,301	$4,430	$4,562
Facilities Maintenance	$2,000	$2,060	$2,122	$2,185	$2,251	$2,319	$2,388	$2,460	$2,534	$2,610	$2,688	$2,768	$2,852
Building Maintenance	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	$6,921	$7,129
Fuel System Maintenance	$1,500	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957	$2,016	$2,076	$2,139
Equipment Maintenance	$1,500	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957	$2,016	$2,076	$2,139
Legal/Professional Services	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	$6,921	$7,129
On-Site Airport Management (FBC	$10,000	$10,300	$10,609	$10,927	$11,255	$11,593	$11,941	$12,299	$12,668	$13,048	$13,439	$13,842	$14,258
Town Administration	$40,000	$41,200	$42,436	$43,709	$45,020	$46,371	$47,762	$49,195	$50,671	$52,191	$53,757	$55,369	$57,030
Total Operating Expenditures	$89,320	$92,050	$94,865	$97,769	$100,765	$103,856	$107,046	$110,336	$113,732	$117,237	$120,854	$124,587	$128,441
Capital Expenditures													
Airport Acquisition	$25,463	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Projects	$26,294	$27,083	$27,895	$28,732	$29,594	$30,482	$31,396	$32,338	$33,308	$34,308	$35,337	$36,397	$37,489
Total Capital Expenditures	$51,757	$27,083	$27,895	$28,732	$29,594	$30,482	$31,396	$32,338	$33,308	$34,308	$35,337	$36,397	$37,489
TOTAL EXPENDITURES	$141,077	$119,132	$122,760	$126,502	$130,360	$134,338	$138,442	$142,675	$147,041	$151,544	$156,191	$160,984	$165,930
NET CASH FLOW	-$23,397	$1,983	$1,895	$1,801	$824	-$212	-$355	-$506	-$1,656	-$1,859	-$2,049	-$3,333	-$3,584
LOST TAX LEVY	$25,519	$26,284	$27,073	$27,885	$28,722	$29,583	$30,471	$31,385	$32,326	$33,296	$34,295	$35,324	$36,384
NET BALANCE	-$48,916	-$24,301	-$25,178	-$26,084	-$27,897	-$29,796	-$30,825	-$31,891	-$33,983	-$35,155	-$36,344	-$38,657	-$39,967
CUMULATIVE BALANCE	-$48,916	-$73,217	-$98,395	-$124,478	-$152,376	-$182,171	-$212,997	-$244,888	-$278,871	-$314,026	-$350,370	-$389,027	-$428,994

Source: Town Ellington, JLM Associates LLC and RKG Associates, Inc.

Table 3-14 Capital Improvement Projects Cost Estimates – Scenario 3: Decline

Project		Unit	Unit Cost	Quantity	Subtotal	20% Contingency	Design & CI Cost	Estimated Total Cost	Eligible for Funding	Potential Local Share
Phase II Acquisition Study (Due Diligence, Appraisals)		LS	100,000	1	100,000	0	0	100,000	Yes	1250
Airport Property Acquisition (Accessor Tax Card)		LS	2,037,000	1	2,037,000		0	2,037,000	Yes	25,463
Master Plan and Environmental Assessment		LS	200,000	1	200,000	0	0	200,000	Yes	2500
RPZ Easement		AC	16,000	6	96,000	0	19,200	115,200	Yes	1440
Short-Term Rehab	Runway Crack Repair & Patching	LS	25,000	1	25,000	5,000	5,000	35,000	Yes	438
	Runway Seal Coat (Include fine aggregate)	SY	3	15,000	45,000	9,000	9,000	63,000	Yes	788
	Runway Markings	LS	10,000	1	10,000	2,000	2,000	14,000	Yes	175
	Taxiway Crack Repair & Patching	LS	15,000	1	15,000	3,000	3,000	21,000	Yes	263
	Taxiway Seal Coat (Include fine aggregate)	SY	3	7,500	22,500	4,500	4,500	31,500	Yes	394
	Taxiway Markings	LS	10,000	1	10,000	2,000	2,000	14,000	Yes	175
Paved Tiedown Apron		SF	16	52,500	840,000	168,000	168,000	1,176,000	Yes	14700
Main Apron Mill & Overlay		LF	10	5,212	52,120	10,424	10,424	72,968	Yes	912
Aircraft Parking Markings		SF	1.50	1,386	2,079	416	416	2,911	Yes	36
New Windsock & Segmented Circle		LS	30,000	1	30,000	6,000	6,000	42,000	Yes	525
Equipment - Mower		LS	70,000	1	70,000	0	0	70,000	No	70,000
Main Driveway & Parking Lot Repairs		LS	76,500	1	76,500	0	0	76,500	No	76,500
Airport Buildings Repairs & Maintenance		LS	42,050	1	42,050	0	0	42,050	No	0
Private Facilities Repairs & Maintenance		LS	25,900	1	25,900	0	0	25,900	No	0
Phase I (1 to 5 Years) Total								**$ 4,139,029**		**$ 195,557**
Runway Reconstruction (including marking & lighting)		SF	21	150,000	3,075,000	615,000	615,000	4,305,000	Yes	53813
Taxiway Reconstruction (including marking & lighting)		SF	21	62,500	1,281,250	256,250	256,250	1,793,750	Yes	22422
Install Airfield Signage		LS	20,000	1	20,000	4,000	4,000	28,000	Yes	350
Tree Removal		AC	2,500	8	20,000	4,000	4,000	28,000	Yes	350
Main Apron Reconstruction		SF	16	46,936	750,976	150,195	150,195	1,051,366	Yes	13142
Weather Station		LS	140,000	1	140,000	28,000	28,000	196,000	Yes	2450
Bridge Street Access Driveway		LF	16	310	4,960	0	0	4,960	No	0
Main Driveway & Vehicle Parking Lot Overlay		LS	76,500	1	76,500	0	0	76,500	No	76,500
Phase II (5 to 10 Years) Total								**$ 7,483,576**		**$ 169,026**
Improved Jumpzone Access Road		LF	16	2,291	36,656	0	0	36,656	No	0
Phase III (10 to 20 Years) Total								**$ 36,656**		**$ -**
							Grand Total	**$ 11,659,261**		**$ 364,584**

Airport Buildings include the Helicopter/Auto Maintenance Hangar, Aircraft Maintenance Hangar, and Office Building.

Private Facilities include the Skydiving Facilities, Private Storage Building, and the 3 Private Hangars.

4.0 REDEVELOPMENT ANALYSIS

This chapter provides an analysis of local and regional real estate market conditions for Ellington and the Greater Hartford area. Current conditions are provided for light industrial land and buildings (manufacturing, flex space, warehouse/distribution, etc.) and residential (single family and condominiums) markets, The purpose of this chapter is to provide an analysis of realistic non-aviation uses for the Airport parcel in order to estimate the value of the property, as well as provide a general indicator of other potential uses for the site.

4.1 Real Estate Market Conditions

The current economic recession has created the most challenging light industrial and office market in the Greater Hartford region and across the state in the last fifteen years. Connecticut's employment base has been hit hard by the recession (particularly within the manufacturing sector) and is projected to shed another 35,000 jobs over the next year. With an ample supply of land and buildings, combined with minimal demand due to restrictive capital financing and low consumer confidence, the challenging light industrial and office market conditions in the Greater Hartford region are projected to remain in-place for the foreseeable future.

Supply and Demand for Industrial Land

Based on an analysis of listings for available land for sale within Ellington and the surrounding communities, there is approximately 111 acres of vacant (mostly serviced with water and sewer infrastructure) office and industrial land available for immediate development. With the exception of the sites in Ellington, all of the available sites are within close proximity an interstate highway. Available light industrial or office sites in Ellington are limited, with approximately 15 acres available (not including the Airport site).

Currently, there is an abundant supply of "shovel-ready" land elsewhere in the Greater Hartford region, with minimal demand for serviced industrial sites with highway access. Undeveloped land in Ellington has sold exclusively for residential purposes with approximately 133 acres changing hands between 2007 and 2009. There have been no non-residential land transactions in Ellington over the time period.

Due to the lack of transactions for non-residential land since 2007, the demand for light industrial land in Ellington is very limited and absorption is estimated to be less than one acre every three to five years. Industrial land prices vary widely due to available infrastructure, location, topography, transportation access, etc. However, industrial land is currently selling for between $16,000 and $80,000 per acre within the Greater Hartford region. Land on the lower-end of the price spectrum generally is not serviced with water and sewer infrastructure, may not be located near a major highway, and may have wetland or topographical issues. Land at the upper price points is usually "shovel-ready", ideally located in close proximity to an interstate highway, and serviced by water and sewer infrastructure.

Supply and Demand for Light Industrial, Flex and Warehouse Buildings

It is estimated that the Greater Hartford region contains approximately 70.6 million square feet (SF) of industrial, flex and warehouse space, of which, approximately 10.2 million SF (14.4 percent) is available for lease or sale. The amount of space available for sale or lease in the Greater Hartford region has increased substantially with approximately 2.2 million SF of negative absorption up to and including the third quarter of 2009. The local market (Ellington and the surrounding communities) has an ample supply of space available for lease or sale, approximately 860,000 SF.

In terms of the Greater Hartford region, with the uncertainty in the economy and the decline of manufacturing employment, potential industrial users have many choices should they require space. Interviews with real estate development professionals in the Greater Hartford region indicate that even with recent low interest rates, light industrial development activity is at a standstill. To weather the economic downturn, manufacturers and other light industrial users have cut costs, increased productivity and reduced excess inventory. Some well-capitalized industrial users are moving out of their older existing (possibly leased) space and building new (owner-occupied) space which specifically meets their current and projected future needs. These needs may include higher ceilings, loading docks, office space, etc. and have lower operating costs.

As a result of the development of modern space, some of the space formerly occupied by these users sits vacant and is generally considered to be functionally obsolete. Current lease rates for both modern and older flex, industrial and warehouse space is about $5/SF, a rate that is relatively unchanged and may decrease over the next few quarters.

Supply and Demand for Office Buildings

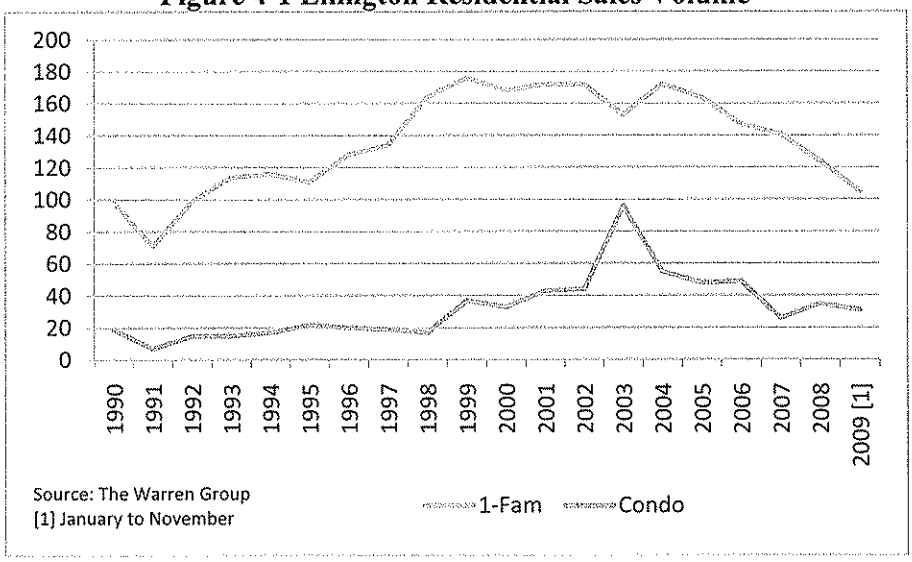
Based on a search of available office listings, the Greater Hartford region contains approximately 25.7 million SF of office space, of which, 16.6 percent (4.3 million SF) is available for sale or lease. Within the local market (Ellington and surrounding communities), there is approximately 50,000 SF of office space available for lease or sale representing 1.2 percent of the regional available supply. Available office space in Ellington has 5,500 SF available.

The demand for office buildings within the Greater Hartford region is stagnant, with the number of transactions declining over the past year. Downsizing in the finance and insurance and information industries have contributed to an abundant supply of available space with 272,000 SF of negative absorption. Lease rates across all classes ("A", "B", and "C") average $19/SF and are projected to soften over the next few quarters.

Supply and Demand for Residential Properties

As shown in Figure 4-1, there were 105 single family residential sales in 2009[1] in Ellington. This represents a decline from a sales peak of 176 units in 1999. Compared to Ellington's single family market, the condominium market is considerably smaller, and also experienced a slide in sales. A total of 31 condominium units changed hands in 2009, down from a peak of 96 units sold in 2003. Figure 4-1 shows the sales volume trends for single family and condominium units in Ellington between 1990 and 2009.

Figure 4-1 Ellington Residential Sales Volume



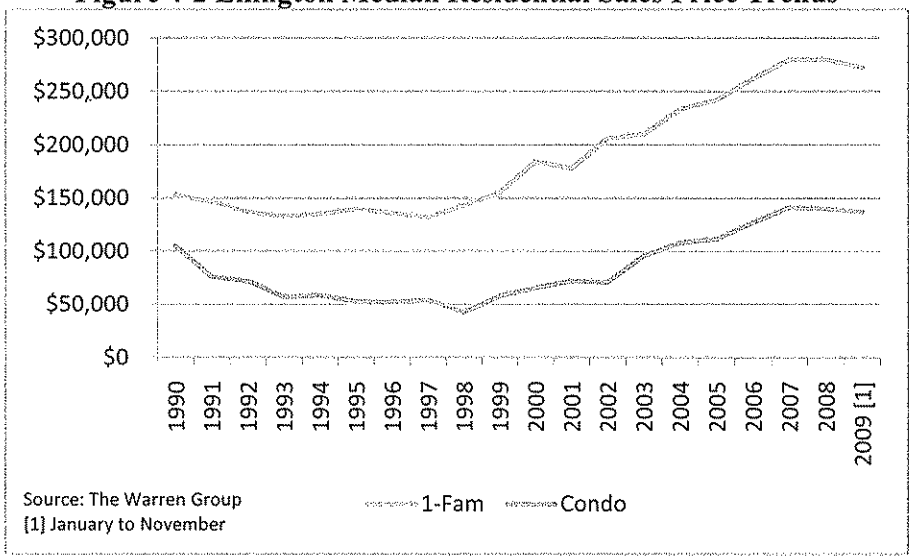
New single family residential construction activity has been brisk (in total number of units) in Ellington since 2000 with 856 residential permits obtained. However, single family residential construction activity has progressively slowed since 2000, with an average of 104 permits obtained annually between 2000 and 2004, shrinking to an annual average of 67 between 2005 and 2009. Local real estate professionals indicated that residential construction activity in Ellington is starting to increase with ten residential building lots changing hands in the past year. These 1+/- acre lots have sold for between $70,000 and $90,000.

The median reported sales price for a single family home in Ellington was $272,000 in 2009[2], representing an increase of almost 50 percent ($87,500) since 2000, or about 5 percent per year. As shown in Figure 4-2, with the exception of 2009, Ellington's single family median value appreciation has been positive on an annual basis since 2001. The median price for condominiums was $137,000 in 2009[3] representing a doubling in value since 2000. Similar to the single family residential market, Ellington's condominium market experienced annual growth in

1 January through November.
2 January through November.
3 January through November.

median pricing throughout the early to mid 2000s, however, median pricing leveled in 2008 and has decreased modestly in 2009.

Figure 4-2 Ellington Median Residential Sales Price Trends



4.2 Alternative Use Analysis

The following provides an analysis of possible non-aviation uses for the Airport (parcel 105/002/0000) in order to provide a general indicator of other potential uses for the site based on market conditions, as well as estimate the likely property value of the facility. It should be noted that the value estimates provided in this analysis should not be used in place of a comprehensive property appraisal of the facility, but rather provide a general property value estimate based on current market conditions.

Based on information provided by the Town of Ellington's Assessor's Office, the airport property contains approximately 125 acres and has an assessed value of $1.02 million[4] and an estimated value of $2,036,860. According to the Assessor, the parcels are improved with approximately 21,600 SF in four buildings ranging in size from a 1,344 SF office building, to a 12,000 SF service shop. The Airport also contains three individual aircraft storage hangars, and a small office/storage facility used for the skydive operation which are not included on the property assessment card. The parcel is zoned for industrial use (I).

A structural assessment indicated that the buildings are generally in fair condition, with the exception of one of the individual aircraft storage hangars which was inspected as being in good condition. Based on the condition, age and layout of the Airport's existing buildings, adaptive reuse of many of the structures for other uses would be challenging. The largest industrial

4 As this parcel falls under pubic act 490, the assessed value represents approximately 50% of the property's market value.

building (12,000 SF) could continue to be used for light industrial or service shop uses. The second largest building, the aircraft service hangar, could potentially be adapted for light industrial, warehouse or manufacturing uses. However, the large hangar door would deter many potential non-aviation end-users. Additionally, the abundant regional supply of older light industrial buildings is such that many users would not consider the property as a primary site for non-aviation uses (unless there was a significant price discount). As such, although valuable for aviation uses, these buildings would likely have below-market value for alternative uses due to the adaptability issues. The remaining office and storage buildings have little or no market value.

The primary value in the airport site is the large amount of developable land area. Assuming that approximately 25 percent of the site is undevelopable (due to wetlands, topography and road and utility infrastructure needed to serve the future users of the site), a developer/investor might redevelop the site for industrial uses as allowed under the existing zoning regulations. This would necessitate subdivision and the installation of roads and utilities. Based on current zoning regulations, the site could be divided into approximately 15 development parcels with the capacity for approximately 330,000 SF of light industrial, warehouse or office building space at full build out (see Figure 4-1). Buildings would range in size from 16,000 SF to 33,000 each.

As an industrial or business park, this site presents some challenges for potential investors or end-users including location (20-minute drive time from an Interstate highway), limited access, and neighboring residential uses. Based on these challenges combined with the abundant regional supply of light industrial land and buildings, and limited demand conditions, an absorption period of 20 to 25 years (or more) is likely for the entire site. Absorption may be accelerated with aggressive pricing or finding local end-user entrepreneurs who want to relocate their existing light industrial operators to the site. Based on current estimated regional industrial lot values of $16,000 to $80,000 per acre, and subtracting for development costs, site challenges, and the long absorption period (due to slow market conditions for this type of property) the property would have a value of between $1.6 million and $2.5 million.

Alternatively, assuming the same amount of developable area and that an investor was interested in developing the site for residential homes, the site could support approximately 68 residential units – 40 single family units and 28 units of multi-family housing (see Figure 4-2) – assuming that the property could be rezoned for residential uses. Assuming that a residential subdivision at the site was property marketed and priced with build-to-suit units, the development could absorb 20 percent to 25 percent of local market demand and be built out in 5 to 10 years.

General development principals suggest that land costs should be approximately 20 percent of the value of a development – in this example, the cost of a residential development. Based on this assumption, using an average price of $425,000 per single family unit and $150,000 per multi-family unit, the 68 estimated units would have a land cost of $4.24 million. However, developing residential units at the site presents investment risk (changing zoning designation, neighboring industrial land uses, obtaining all permits, obtaining development financing, etc.) and associated costs (runway pavement removal and utility site work) which are not generally present in a typical residential undeveloped site. Furthermore, as sewer and water services were extended to the site for industrial purposes, using an economic development grant, a residential

developer may be required to pay back all or part of the grant. Due to this elevated risk and cost, a developer might discount the value by 50 percent to 75 percent. Therefore the site may have a value of between $1.1 million and $2.1 million under this use.

Figures 4-3 and 4-4 illustrate two potential redevelopments for the airport. However, many combinations and variations are also possible. Other potential redevelopment options may include:

- A mixed use development including single family and multi-family residential units along with neighborhood oriented retail.
- A residential development containing only single family units.
- A mixed use development includes the expansion of existing development patterns including single-family, commercial, and industrial activities, as shown in Figure 4-5.

In summary, redevelopment of the airport is feasible, although the market is currently suppressed. While the property is zoned for industrial, that sector is perhaps the most challenging at this time and for the location. Thus, if the airport was redeveloped, a mixed use approach with planning and zoning amendments may be worth consideration by the Town.

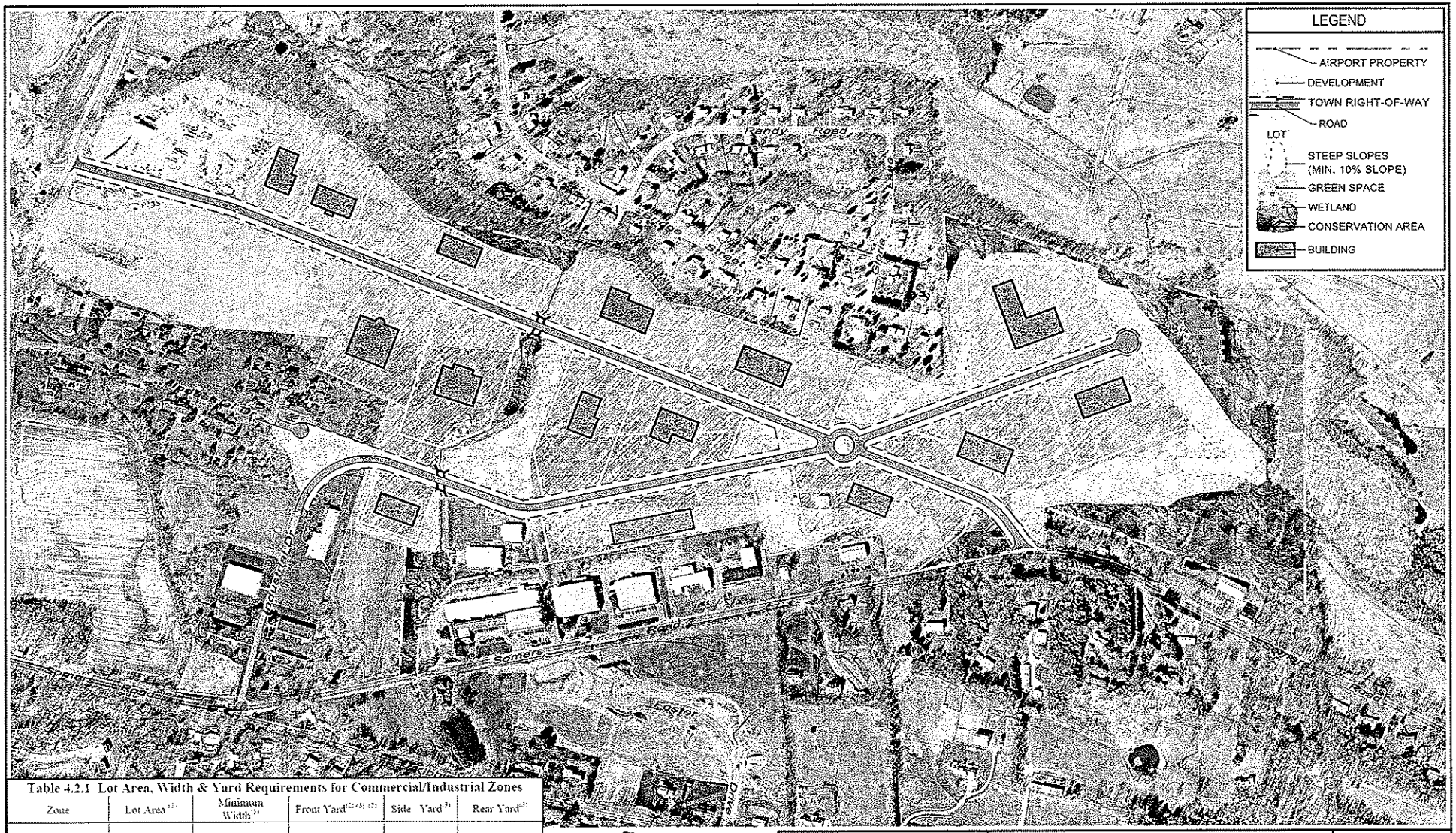


Table 4.2.1 Lot Area, Width & Yard Requirements for Commercial/Industrial Zones

Zone	Lot Area [1]	Minimum Width [1]	Front Yard [2] [3] [5]	Side Yard [3]	Rear Yard [3]
C-Commercial	40,000 sq. ft. [4]	200 feet	100 feet	10 feet [6]	10 feet [6]
PC - Planned Commercial	5 Acres	300 feet	100 feet	10 feet [6]	50 feet [6]
I - Industrial	40,000 sq. ft.	200 feet	100 feet	10 feet [6]	50 feet [6]
IP - Industrial Park	4 Acres	200 feet	100 feet	10 feet [6]	50 feet [6]

0 400 800

Scale in feet

Table from Town of Ellington Zoning Regulations

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COMMERCIAL/INDUSTRIAL DEVELOPMENT CONCEPT

Ellington Airport Acquisition Feasibility Study

PROJECT NO. 19818

DATE: MAY 2010

FIGURE 4-3

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Table 3.3.3 Density, Height, Yard and Living Area Requirements	
Maximum Units per Acre [1]	4
Maximum Units per Building	10 amended 5-23-0[illegible]
Maximum Building Height (See Manual)	35 feet
Maximum Number of Stories	2.5
Maximum Building Coverage	20%
Minimum Frontage	200 feet
Minimum Front Yard Setback	125 feet
Minimum Side and Rear Yard [2]	50 feet
Minimum Building Separation	20 feet for all buildings containing 2 or more dwelling units. 20 feet for all buildings containing not more than 1 dwelling unit

Table 3.2.1 Lot Area, Width & Yard Requirements	Lot Area (Sq Ft)[1]	Minimum Width[3]	Front Yard	Side Yard[2]	Rear Yard[2]
AA - Residence Single-Family	40,000	150	35	15	10
A - Residence Single-Family	40,000	150[3]	35	20	10
A - Residence Two-Family	40,000	150	35	20	15
RA Rural Agricultural Residential Single-Family	40,000	150	35	20	10
RA Rural Agricultural Residential Two-Family	50,000	150	35	20	15
LR Lake Residence	40,000	150[3]	35	20	10

(1) May be increased because of poor soil conditions, terrain, topography, etc.
(2) Accessory buildings shall conform to building line requirements for front, side and rear yards applicable to main building
(3) When connected to public sewers, the minimum frontage shall be 125 feet.

Tables from Town of Ellington Zoning Regulations.

*Variance required for frontage under 150' per parcel configuration.

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RESIDENTIAL DEVELOPMENT CONCEPT

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PROJECT NO. 19818

DATE: MAY 2010

FIGURE 4-4

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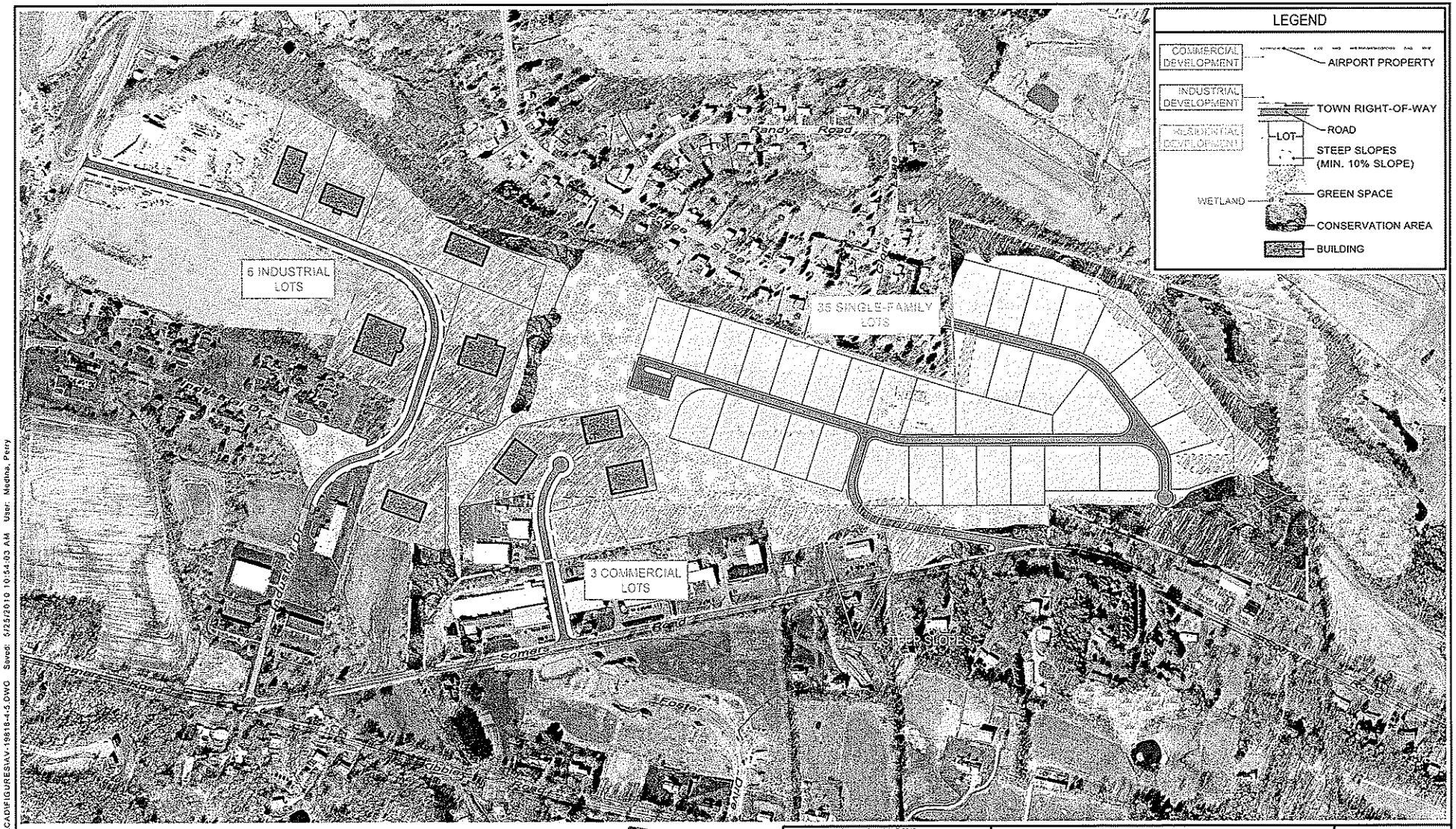

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MIXED USE DEVELOPMENT CONCEPT

Ellington Airport Acquisition Feasibility Study

PROJECT NO. 19818

DATE: MAY 2010

FIGURE 4-5

5.0 MANAGEMENT/OWNERSHIP OPTIONS

This chapter provides a summary of potential ownership options for the retention of Ellington Airport as a public-use airport, including the municipal purchase by the Town of Ellington. The discussion is intended to describe the potential advantages and disadvantages of each ownership option. While there may be many variations of each ownership approach, four overall options are described herein, and include the following:

- Town acquisition/ownership
  - with contract management/leased operation
  - with Town operation/management
- Airport authority ownership (joint municipal, regional, or independent)
- Sale to another private airport operator
- State ownership and operation (i.e., ConnDOT Bureau of Aviation & Ports)

5.1 Town/Municipal Ownership

Of the nearly 20 public-use airports in Connecticut, five are municipally[1] owned (see Table 5-1). Of these, Meriden Markham Municipal Airport is most similar in size to Ellington Airport. However, the City of Meriden is almost four times the size of the Town of Ellington (in terms of population) and the runway is almost double the length. Although town airport ownership is quite common in other states (e.g., New York, New Jersey, & Massachusetts), most municipal airports in Connecticut are owned by a City. The one exception to this is the Town of Plainville, which acquired Robertson Airport from a private owner in 2009.

TABLE 5-1 – MUNICIPAL AIRPORTS IN CONNECTICUT

Airport Name	*Owner*	*Longest Runway*	*No. of Runways*	*Control Tower*	*Municipal Population*[1]	*2010 Based Aircraft*[2]
Danbury Municipal	City of Danbury	4,422'	2	Yes	76,976	264
Tweed-New Haven*	City of New Haven	5,600'	2	Yes	127,401	57
Meriden Markham Municipal	City of Meriden	3,100'	1	No	58,432	65
Sikorsky Memorial*	City of Bridgeport	4,761'	2	Yes	141,614	210
Robertson	Town of Plainville	3,612'	1	No	17,436	110

[1] 2010 CERC Town Profiles
[2] 5010 Master Record (2/11/2010)
*FAR Part 139 Certified Airport

[1] Municipal ownership may include ownership by any type of local government including the town and city levels.

Benefits of Town ownership of Ellington Airport include:

- Town (i.e., public) ownership would provide eligibility for federal and state airport development grants, assuming the Airport qualified for the National Plan of Integrated Airport System (NPIAS) program.
- Full control/authority over airport developments and improvements
- Potential use of municipal bonds (i.e., revenue or general obligation bonds), to finance airport projects such as hangars.
- Ability to lease airport property and buildings for aviation and non-aviation purposes, with the associated revenues available for airport operations or capital projects
- Acquisition cost for the Airport and all airfield development would be 98.75% funded by federal and state grants under the current FAA Airport Improvement Program (AIP); however, 100% of any revenues generated by the airport would be retained by the Town for airport operation.
- Various options available for airport management (contract, commission, direct, etc.)
- Town has land use and zoning authority over adjacent property

The primary disadvantage of the Town ownership of Ellington Airport is financial risk. This issue is not specific to Ellington Airport, but inherent to most non-commercial municipal airports. The financial analysis demonstrates that the Town could operate the Airport with a positive cash flow; however, when lost property taxes are considered a small deficit would be anticipated. Most municipal facilities operate at a break-even point or with a small deficit. Under such financial conditions, municipal airports are viewed primarily as a community and transportation asset, with some indirect financial benefits, but not as a municipal revenue source.

Other considerations include:

- Federal grant assurances associated with each FAA-funded project requires the Town to maintain the Airport open for public-use, for a 20-year period or design life of the project.
- Grant assurances associated with property acquisition remain in effect in perpetuity.
- Grant assurances transfer with the property (if the Town were to acquire the Airport, and later sell it to others).
- Grant assurances required the Sponsor to maintain the airport for safe operations.

As such, Town acquisition of the Airport should generally be viewed as a permanent commitment as opposed to an experiment or temporary endeavor.

Of consideration for Ellington is also the relatively small size of the community (and associated economic base and staff size). Although there are many municipal airports owned by political

subdivisions with populations of less than 20,000,[2] these communities do experience some financial burden of airport ownership. When an airport is a considerable element of the overall municipal budget, the potential financial burden of the airport should be considered. While many municipalities are interested in owning an airport due to the potential for economic development and community benefits, the airport typically needs to demonstrate an ability to nearly break even and / or provide other documented economic and public benefits.

Municipal Airport Management

Many public airports are directly managed by the municipal owner; however, there is wide variation in the level of involvement. Some facilities have an on-site town manager (with or without an administrative and maintenance staff) who oversees the Fixed Based Operator (FBO), tenants, airport projects, and may be responsible for maintenance. The most active municipal management organization will also provide fueling, aircraft parking, rental hangars, and other services. Other airports may have airport services provided by one or more FBOs, but hire a contract manager or management company to oversee airport operations. These various forms of municipal management/operations are common at larger facilities, having numerous tenants and leases; examples include Danbury and Bridgeport city-owned airports.

The Town will not be able to restrict when, who, and where aircraft fly as they are obligated to keep the Airport open to the public, but they will not be required to staff the Airport 24 hours a day, 7 days a week. The lights are currently on a timer from dusk until 1 a.m., but the study recommends pilot-controlled lighting so pilots may use the airport at night without having the lights on continuously.

Contract Management of Municipal Airports

Many municipal airports contract the day-to-day operation of the facilities to a private company. At small airports such as Ellington, the private company is most often the airport's FBO. A FBO is an airport service provider (typically a private enterprise) that provides aircraft fueling and other services, such as aircraft parking, tiedown and hangar rental, aircraft maintenance, air charter, aircraft rental, and flight training. The management contract typically includes serving as the airport attendant, and may also include general maintenance (grass cutting, snow plowing, etc.) depending on the terms of the contract. While an FBO can be a department of the Town, this is uncommon at small airports. There may be more than one FBO at an airport; however, this is also rare at smaller facilities (although other airport businesses are common, such as avionics shops, flight schools, flying clubs, etc.). In Connecticut, the Town of Plainville and City of Meriden operate their airports in this manner.

* * * * *

[2]Note: The Towns of Plainville, CT and Southbridge, MA both own airports and have a population of about 17,000. The Schroon Lake Airport is owned by the Town of Schroon, NY with a population of 1,700.

With the goal of minimizing expenses and based on discussions with Town officials, if Ellington Airport was acquired by the Town, contract management by an FBO is recommended. An existing Ellington Department (e.g., Public Works) could oversee maintenance activities, as well as implement airport projects and upgrades.

5.2 Airport Authority Ownership

Many municipally-owned commercial airports are operated by an airport authority. A key reason for this is to separate airport operations, maintenance, and financial responsibilities from the general municipal budget. Commercial airports typically have several sources of revenue (e.g., airlines, passenger facility charges, vehicle parking, tenant leases, and FAA grants) and expenses, and regularly bond for major projects to distribute costs over a number of years. Airport authorities are generally able to operate with less political influences over their day-to-day operation, as well as bypass municipal bonding limitations.

Municipal general aviation airports may also be operated by an authority, but this is less common as their accounting, financing, and management needs are substantially less than commercial facilities. As such, there is typically a less compelling need to separate the airport from municipal operations, particularly since it may add additional staffing and management costs.

One benefit of an authority is that their management staff often report to a board composed of a broad range of aviation, business, and community leaders, as well as elected officials, to ensure that many interests and constituencies are represented. At general aviation airports, this benefit can alternatively be obtained by appointing a voluntary advisory committee (which may be called the Airport Commission, Airport Advisory Board, or similar title). These committees can help review and recommend planning, development, and leasing activities, with the Town elected officials retaining the ultimate decision authority. In Connecticut, the Tweed-New Haven airport is owned by the City, but operated by a municipal airport authority.

5.3 Joint Municipal Airport Authority

Another type of airport authority can provide some financial advantages at general aviation airports by sharing capital and maintenance costs between multiple towns and cities. Such a body may be called a Joint Municipal Airport Authority, and can be formed under a number of structures. Such authorities reduce the financial risk to each municipality and also address the fact that airports benefit the region, not just a specific town.

However, the funding arrangement between the towns would have to recognize that the host town(s) stands to lose property tax revenue, and may also be responsible for snow removal and mowing. Like any authority structure, a joint municipal authority generally has a set of board representatives with oversight responsibilities and a small professional staff. A small airport such as Ellington may only require a manager and administrative assistant (full or part-time). Nevertheless, any authority will have some additional organizational costs as compared to being operated under an existing municipal department. Each of the municipalities would be required

to enact legislation to form the authority, with pre-established procedures for maintenance, operation, and funding.

A final factor to consider for a joint municipal authority is the potential for disagreements between the various municipalities. Such conflicts may be related to development options, leases, land use compatibility, as well as the responsibility for capital costs, maintenance, and staffing. There are currently no joint municipal airport authorities in Connecticut.

5.4 Sale to Another Private Owner / Operator

Ellington Airport currently has no known deed encumbrances or FAA grant assurances that must be honored. As such, the current owner may sell to any potential buyer for airport or non-airport purposes. As general aviation airport operations do not typically generate significant net revenue (if any), a buyer interested in purchasing Ellington Airport in order to retain it as an airport would likely be someone intending to operate an aviation business on site. The Airport's acquisition could be a means to support the buyer's business, rather than as an investment in the existing airport business itself. Such purchases are infrequent. In the majority of cases, private sale of an airport usually results in closure and redevelopment of the property[3]. It should be noted that Ellington Airport has been for sale for several years.

5.5 State Ownership & Operation

Several states in the Northeast own and operate airports, most often through a bureau of the State Department of Transportation, (include Vermont, Rhode Island, New York, New Jersey, and Connecticut). The Connecticut Department of Transportation (ConnDOT) owns five general aviation airports, as well as Bradley International, as listed in Table 5-2. The State airport most similar to Ellington is Danielson, although Ellington has a shorter runway and fewer based aircraft.

TABLE 5-2 – STATE-OWNED AIRPORTS IN CONNECTICUT

Airport Name	*Location*	*Longest Runway*	*No. of Runways*	*Control Tower*	*2010 Based Aircraft*[1]
Danielson	Town of Killingly	2,700'	1	No	42
Groton-New London	City of Groton	5,000'	2	Yes	38
Hartford-Brainard	City of Hartford	4,418'	3	Yes	140
Waterbury-Oxford	Town of Oxford	5,800	1	Yes	198
Windham	City of Willimantic	4,278'	2	No	43

[1] FAA 5010 Master Record (2/11/2010)

[3] A number of private airports in Connecticut closed in recent decades. An informal compilation of these airfields is available at http://members.tripod.com/airfields_freeman/CT/Airfields_CT.htm.

It has been many years since the State has acquired an airport. In fact, to do so at Ellington Airport would require legislative action and ultimately approval of the Governor. Thus, if Ellington does not pursue airport acquisition, State purchase would not be a strong probability. If State acquisition was desired, the Town would need to solicit action from their State representatives to negotiate the required legislative agenda.

It should also be noted that due to the high level of airport services and facilities ConnDOT provides most of the state-owned general aviation airports operates at a financial deficit.[4] As such, obtaining political support at the State level to acquire and operate another airport may have added difficulty, particularly due to the proximity of the downtown Hartford-Brainard Airport.

The benefits and shortcomings of State ownership of Ellington Airport to the Town are straightforward. The benefits include a well maintained, operated, and attended airport facility, available for business and general public-use, with long-term stability and no direct cost to the Town. Thus, the Airport would continue to provide all the advantages of a public airport, with no involvement or expense to the community.

There is one significant disadvantage to the Town regarding State ownership of Ellington Airport. The Airport would become tax exempt, and thereby ceasing to generate any property tax revenue to Ellington. As listed in Chapter 3 the annual tax revenue lost in the first planning year would be $25,519.

A second consideration is that the Town would lose development authority over the Airport. However, as the State would likely implement projects consistent with the recommendations of Chapter 2, the loss of authority may not be a significant consideration in this case.

[4] ConnDOT provides professional management, daily inspections, and security facilities at all State-owned airports. These activities are not required, and are rarely provided at municipal airports.

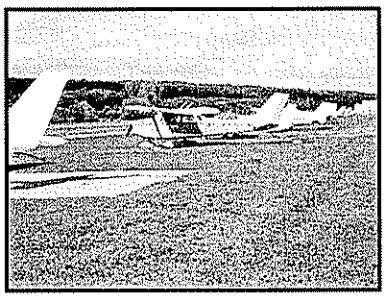
6.0 RECOMMENDATIONS & IMPLEMENTATION PLAN

This chapter provides an overview of the study findings and recommendations (see previous chapters for detailed information), as well as a list of potential implementation steps. Note that a formal recommendation has not been provided regarding the decision to purchase Ellington Airport at this time (April 2010). Rather, that decision would be determined by the Town after a review of the study and receipt of comments from residents, businesses, and airport stakeholders.

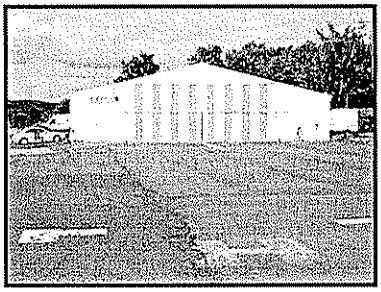
This chapter is organized into the following sections:

- Overall Airport Evaluation
- Recommended Airport Management Structure
- Financial Feasibility Summary and Recommendation
- Minimizing Town Expenditures
- Acquisition Advantages and Disadvantages
- Phase II Airport Acquisition Study
- Implementation Plan

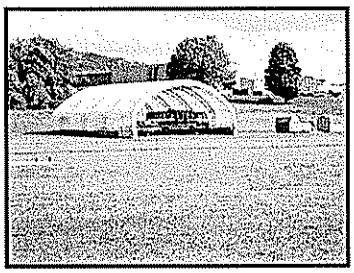
6.1 Overall Airport Evaluation



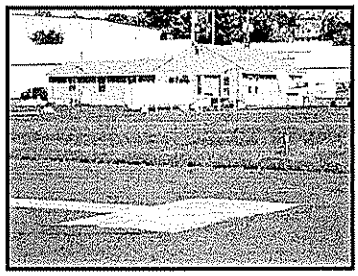
In recent years, Ellington Airport has not been adequately maintained and is in need of significant upgrades, but does provide pilots with basic general aviation services The Airport also has several key FAA design standard deficiencies, which is fairly common for privately-owned airports. If public acquisition occurred with federal funds, the Airport would become "obligated" and the FAA would require that the Airport develop a plan to bring the Airport into compliance with the FAA design standards, to the extent feasible. Thus, this study identified several improvements necessary to meet the airport needs.



The study analysis included comprehensive review of the existing airport facilities, current conditions, and development potential. It is noted that no additional facilities would be needed for the Airport to serve as a Town of Ellington municipal facility. However, pavement maintenance is currently required and major airfield rehabilitation and safety improvements should be scheduled within the next five years, and new hangars and other facilities are recommended. As documented in Table 2-5, recommended airfield projects may exceed a cost of $12 million over the next 10 years; however, it is anticipated that federal and state funding would cover 98.75 percent of these costs, excluding the access and hangar development.



The existing airport hangars and facilities are in fair condition, but in need of repair, as identified in the Structural Building Assessment (Appendix B). The study also included an evaluation and recommended layout for additional hangars and support facilities.



6.2 Recommended Airport Management Structure

Although many municipal airports are managed directly by the municipal owner, with management and maintenance staff consisting of Town employees, this is less common at smaller airports and smaller municipalities. At such facilities, the necessary management duties are limited, and are commonly contracted to an airport tenant providing services on a day-to-day basis. Most commonly, this tenant is the airport FBO, who is on-site each day of the year.

With the goal of minimizing expenses, if Ellington Airport was acquired by the Town of Ellington, FBO management is recommended. There is currently no FBO at Ellington Airport to perform this service. As such, the Town would need to solicit proposals for a new FBO, or an existing tenants could be requested (under contract) to provide this service. The logical tenant for this role is the helicopter school as they are the largest and most active operator on the field. The FBO lease agreement should specify all duties (hours of operation, common area maintenance, etc.). A single FBO providing all services may not be financially feasible at an airport with this activity level. As this may be the case, other specialty businesses may provide the more extensive services, such as flight training or maintenance.

Additionally, an existing Town of Ellington Department (e.g., Public Works) would be required to oversee the management duties of the FBO, implement airport projects, and retain oversight and responsibility for the airport facilities.

6.3 Financial Feasibility Summary and Recommendation

The analysis evaluated the future financial conditions of the Airport under Town ownership, based on three acquisition scenarios. The analysis forecasted potential airport revenues, expenditures, and expected capital improvement costs over the next 12-years. Table 6-1 lists the various categories of revenues and expenses for Ellington Airport. Per federal regulations, any revenue generated at the Airport must remain with the Airport rather than revert to the Town's general fund.

TABLE 6-1 –AIRPORT REVENUES & EXPENSES	
Revenues	**Expenses**
• Lease of existing buildings & hangars • Aircraft tiedown rentals • Fuel flowage fee • Airport land leases (future facilities)	• Electricity • Insurance • Common area maintenance (mowing, snow removal, pavement repair, etc) • Building maintenance • Fuel system maintenance • Equipment maintenance • Legal & professional services • Capital projects • Airport Acquisition – one-time expense to acquire the airport property and some or all of the existing facilities/buildings

As shown in Table 6-2, the Airport is expected to generate annual revenues of approximately $171,094 by 2022, under the Baseline scenario, with associated expenditures estimated at $177,176. Based on the assumptions stated, the projected net cash flow for the Airport under this scenario is negative over the planning period. When the loss of existing property tax revenue is considered, the financial forecast projects an annual negative annual balance of approximately $30,000. The two other scenarios vary in the facilities developed and operational activity (see Tables 6-3 and 6-4).

The Growth Scenario (Table 6-3) results in a positive net cash flow in 2015 due to additional land lease fees gained by the Town through hangar development, but assumes there will be a developer willing to construct the hangars. As expected, for the Decline Scenario (Table 6-4) the financial analysis results in negatives net cash flows.

This financial picture is primary due to:

- Capital improvements necessary to satisfy FAA minimum design standards
- Low to moderate aircraft demand and activity level
- Loss of tax revenue

The tables below highlight the results of the financial analysis.

TABLE 6-2 – FINANCIAL FEASIBILITY ANALYSIS (Scenario 1 - Baseline)				
Revenue & Expenditure	**2010**	**2015**	**2020**	**2022**
Total Revenue	$119,540	$138,391	$161,365	$171,094
Operating Expenditures	89,320	103,856	120,854	128,441
Capital Expenditures	51,757	30,482	35,337	37,489
Total Expenditures	141,077	134,338	156,191	165,930
Net Cash Flow	**-21,537**	**4,053**	**5,174**	**5,164**
Lost Tax Levy	25,519	29,583	34,295	36,384
Annual Net Balance	($47,056)	($25,530)	($29,121)	($31,220)
Cumulative Balance				($368,359)

TABLE 6-3 – FINANCIAL FEASIBILITY ANALYSIS (Scenario 2 - Growth)				
Revenue & Expenditure	**2010**	**2015**	**2020**	**2022**
Total Revenue	$119,540	$168,915	$209,426	$230,545
Operating Expenditures	91,520	106,469	123,973	131,797
Capital Expenditures	51,757	30,482	35,337	37,489
Total Expenditures	143,277	136,951	159,310	169,286
Net Cash Flow	**-23,737**	**31,964**	**50,116**	**61,259**
Lost Tax Levy	25,519	29,583	34,295	36,384
Annual Net Balance	($49,256)	**$2,381**	**$15,821**	**$24,875**
Cumulative Balance				($27,853)

TABLE 6-4 – FINANCIAL FEASIBILITY ANALYSIS (Scenario 3 - Decline)				
Revenue & Expenditure	**2010**	**2015**	**2020**	**2022**
Total Revenue	$117,680	$134,126	$154,141	$162,347
Operating Expenditures	89,320	103,856	120,854	128,441
Capital Expenditures	51,757	30,482	35,337	37,489
Total Expenditures	141,077	134,338	156,191	165,930
Net Cash Flow	**-23,397**	**-212**	**-2,050**	**-3,583**
Lost Tax Levy	25,519	29,583	34,295	36,384
Annual Net Balance	($48,916)	($29,795)	($36,345)	($39,967)
Cumulative Balance				($428,999)

The following points summarize the relevant major findings:

- Based on the stated assumptions, the scenarios show a variety of annual net cash flow throughout the planning period.

- The Baseline scenario is considered the most likely outcome of Town airport acquisition. It is anticipated to result in essentially a break-even operation, but with a negative net balance once the lost tax levy is included. This financial outcome may be considered "reasonable" if airport preservation is a goal of the Town.

- The Growth scenario has a positive cash flow after the additional hangars are constructed. As such, the financial analysis demonstrates that the Airport could be owned and operated by the Town without an annual operational subsidy after the initial acquisition cost if the lost tax levy is not factored in.

- Acquisition of the Airport involves a degree of financial "risk" and is dependent on stability in aviation demand, which has been affected by high fuel prices and the recent recession.

As the scenarios have different sets of assumptions and development plans, they show a broad range of possibilities for the financial future of Ellington Airport. The Town needs to decide the amount of financial risk they are willing to accept. Scenario 2 – Growth shows positive net balance, but has the highest risk as it assumes there will be a private developer willing to construct hangars; Scenario 1 – Baseline needs a small subsidy, but as it has less proposed development there is less risk.

6.4 Minimizing Town Expenditures

There are several methods that can be employed to minimize the expenditures of the Town that could be negotiated with the current owner prior to the sale of the property. As shown in this report, there are several repairs to the airport facilities that need to be completed due to their current conditions. According to the FAA, the Town must pay fair market value for the property and cannot negotiate a lower value to pay for building repairs as one might when purchasing a residence. As such, the Town may choose to acquire the property and then lease it back to the current owner for a short amount of time in order for the repairs to be made. This will allow for the current property owner to utilize the funds from the sale of the property to complete these repairs.

The purchase agreement could require the current owner to place a certain amount of money in escrow from the sale to cover the cost of the repairs after acquisition by the Town. In addition, the current owner may choose to fund the 1.25 percent local share of the acquisition cost as a donation to the Town and additional encouragement for the sale.

Once the Airport has been acquired by the Town there are additional maintenance costs that must be incurred on an annual basis such as pavement, snowplowing, and mowing. The Town can schedule the pavement maintenance and rehabilitation to coincide with FAA and State grants to minimize the cost to the Town.

The Town may also choose to subdivide the property prior to acquisition to separate the land needed for aeronautical use from non-aeronautical use. The current owner could then sell the remaining property for other compatible land uses.

6.5 Acquisition Advantages and Disadvantages

A recommendation regarding the municipal purchase of Ellington Airport cannot be made without understanding the Town's potential goals for purchasing the Airport, or their financial expectations; this decision cannot be based solely on one factor. There are several advantages and disadvantages to Town acquisition of Ellington Airport.

Advantages include:

- Town ownership provides direct control over all decisions about management, operation, and development.
- Public airport benefits:
    - Recreation
    - Education & Training
    - Community / Charitable Activities
    - Public Safety
    - Modest Business & Economic Activity
- Preservation of the Airport's role in the local, state, and national transportation infrastructure.

Disadvantages include:

- The financial analysis demonstrated that Town ownership would likely result in a small negative net balance, when the loss of property taxes is considered.
- The Town will be required to oversee the management, operation, and maintenance of the Airport. Even if the daily operation is conducted by an FBO, the Town will still need to manage the Capital Improvement Program and common use property maintenance.
- Financial risks:
    - The availability of state/federal funding for capital improvements
    - Uncertainty of hangar development
    - Future level of aviation activity
    - Viability of a FBO / Private management

The financial analysis demonstrated that, with the associated property tax loss of public acquisition, the Airport will likely require a small subsidy in order to fund the initial acquisition and capital improvement projects. Even without considering property taxes, the limited airport revenues may not exceed expenses, as even the best scenario has associated risks that may occur at some point in the future.

The Town expressed an interest in having the Airport serve as an economic engine for the region; unfortunately, this study shows that the economic development potential is small due to the Airport's geographic location, limited runway length, lack of hangar facilities, and the overwhelming majority of based aircraft are personal or recreational in nature (and not tied to business activity in Ellington or the surrounding communities). Business use of the Airport does occur; however, such use is minor. If the Town's primary goal for the Airport is revenue generation or economic development, the Airport would not likely be a good investment. If the Town's goal for acquiring the Airport is preservation and other public benefits, then the Town should considering pursuing acquisition with the understanding that the Airport will likely need a small subsidy, which is quite common for municipal airports.

The actual decision to acquire the Airport will remain with the Town (or referendum, if required by statute). However, prior to acquisition, an additional study is recommended to conduct a due diligence process (environmental testing) and obtain property appraisals, as outlined below.

6.6 Phase II Airport Acquisition Study

If the Town of Ellington wishes to further investigate acquiring the Airport, the need for a second phase of study has been identified, and would include the following:

- Additional Environmental / Structural Evaluation: This effort would include a Phase II Environmental Site Assessment with testing of onsite septic/waste water disposal systems, soil and groundwater sampling, and an asbestos and lead based paint survey. This effort would determine if environmental liabilities are present.

- Property Appraisals: Prior to pursuing federal/state funding for airport acquisition, the Fair Market Value (FMV) of the airport property and all existing facilities/improvements must be determined. Under federal requirements, two independent full property appraisals must be conducted by state-certified appraisers, which are then followed by a separate review appraisal used to determine the FMV.

  Note that at the Town is not obligated to purchase the Airport at any time during or after this process, nor is the private owner required to sell. Town obligation would begin only if and when the title to the airport property is transferred to the Town.

6.7 Implementation Plan

Table 6-6 lists each typical step or action-item for the potential acquisition of Ellington Airport. The list includes activities and decision points in the overall process. At any point in the process, the Town can terminate consideration of airport acquisition – the action items would also terminate at that point.

TABLE 6-6 – IMPLMENTATION PLAN		
Action Item	**Activity**	**Tentative Timeframe**
A	Complete Airport Study – Phase I	Summer 2010
B	Determine whether to further consider acquisition of Ellington Airport	Summer 2010
C	Town applied for Phase II Study grant (from FAA)	Fall 2010
D	Conduct Phase II Study (Environmental Testing and Appraisals)	Sept - March 2011
E	Town determines whether to acquire airport	Spring 2011
F	Negotiate acquisition price	Summer 2011
G	Public Referendum (if necessary)	Fall 2011
H	Secure funding, negotiate management & lease agreement(s)	2012 / 2013
I	**Acquire Airport**	2013

Based on the need for additional study, the grant application process, and funding availability, this schedule is considered the shortest feasible timeframe for the acquisition of Ellington Airport.